

GENERAL MOTORS
OF CANADA LIMITED
1990 IN REVIEW

AR35



QUALITY WINS
"CUSTOMERS FOR LIFE"

"I've owned General Motors products since I bought my first car in 1976 — a brand new '77 Chevrolet Camaro which I still have. My business car is a Buick Regal and I love it. It's a very good car and basically trouble-free. I feel very safe in it and that gives me great peace of mind when I'm driving because in my job, I'm on the road a lot."

ELAINE PETCHKIN, Markham, Ontario

Elaine Petchkin



Standing (left to right)

Sharon Montgomery, Financial Department, GM of Canada; John Curtis, Motor Carriers Limited, Oshawa; Kelly Squires, CANEXPO; Grant Greenwood, Legal Department, GM of Canada; Alick MacLean, Service Parts Operation, GM of Canada; Larry Peters, Oshawa Car Assembly Plant; Charlene Piette, Customer Assistance Centre, GM of Canada; Joyce Wilson, GM of Canada Truck Centre, Toronto; Karen Campbell, Materials Handling, GM of Canada; Jane Leach, Dofasco Inc., Hamilton; Patrick Wong, Engineering Department, GM of Canada; Barb Belliveau, Personnel Department, GM of Canada.

Kneeling

Dave McGill, Oshawa Car Assembly Plant (left); Ron Arthur, Roy Frost Motors, Mississauga, Ont.

Elaine Petchkin of Markham, Ontario, her seven-year-old son Adam and a 1991, Oshawa-built Chevrolet Lumina Euro are photographed with some of the men and women who represent General Motors of Canada's workforce, its suppliers and dealers across the country.

Quality Wins "Customers for Life."

This fundamental business principle increased in significance for General Motors of Canada in 1990, as the battle for share of market intensified within the automotive industry.

The vision of every man and woman at General Motors of Canada — and among personnel at its dealerships and supplier companies — to have purchasers of General Motors vehicles and services become "Customers For Life", also took on heightened importance.

Those individuals recognize that for General Motors of Canada to achieve the final quality desired and to reach the consistently high competitive levels necessary to fulfill such a vision, it is imperative to have a knowledgeable, well-trained workforce. They realize that it requires individuals who are dedicated to their jobs, their colleagues and their employer. They know they must also believe in themselves and in the conviction that no other auto manufacturer in Canada, North America or the world can build better cars or trucks or provide superior services.

This 1990 Annual Review establishes, without question, that this is the case throughout General Motors of Canada today. The opinions of employees in plants, operations, staffs and departments across the country — as well as those of business partners and other representative individuals from outside the company — make this abundantly clear.

General Motors of Canada's employees put intense effort into their business. They show great pride in what they are doing and the products they build, and of the results achieved by them and their co-workers. They are aware of, and supportive of, the production systems which have been implemented and the operating structure which has been developed to help this company maintain and increase its well-earned dominance in the marketplace.

The most important message in this Annual Review is that, while much has been accomplished and a great deal of progress continues to be made at General Motors of Canada, there is no complacency among those who hold its future in their hands. They are confident and committed to success.

"I had another make of car — a bigger one — and it was costing too much in gas and repairs. The local General Motors dealer had asked me to come and see him when I was ready to get rid of it and when I did, he suggested I try a Sprint. I'm very happy with it — extremely happy with it. It's small but roomy and it gets terrific mileage. I know GM is Number One in the industry and it's Number One with me as well."

NITA MEYER, Westmount, Quebec.

Nita Meyer



During 1990, motivated employees and dealer and supplier personnel continued to dedicate themselves to General Motors of Canada's vision of having purchasers of its vehicles and services become "Customers for Life." They have demonstrated that they really do care about the customer.



"We have a customer satisfaction representative who calls every customer who was in the day before to find out if they were satisfied with the work. If they're not satisfied, they're brought right back in the next day and we try to resolve the problem. But the vast majority are satisfied the first time. Everybody has their own ideas on how to look after customers. This is ours. We tell our service advisors to treat the customers as they'd like to be treated themselves — to put the customer first."

CATHY OLIVER *Service Manager,
Roy Nichols Motors, Bowmanville*

"Every day, every hour we concentrate on improving the level of our quality more and more for the benefit of the customer. We look carefully at all reports we receive and we compare them with the competition through in-plant audits. We put a lot of emphasis on that, to see where we have to improve."



"I've been involved with the 3.4L engine project since the beginning and it's an excellent project. The more we run the more satisfaction we're getting from it. It's beautiful — lots of horsepower but very economical to run, which you need today. We have been hearing so many good things about this engine we couldn't wait to start running larger numbers and getting them out to the customers."

RON CRABTREE *V-6 Engine Assembly,
St. Catharines Engine Plant*

"I feel we achieve customer satisfaction through dedication, effort and personal commitment and our successes in the Targets for Excellence audits prove we provide quality products at competitive prices. The ultimate judge, of course, is the purchaser — everyone from GM assembly plants and other auto manufacturers to the customer on the street. We realize we can't be complacent."

CAROL CLANCY *Supervisor, Human Resources
Development, Fabrication Plants, Oshawa*

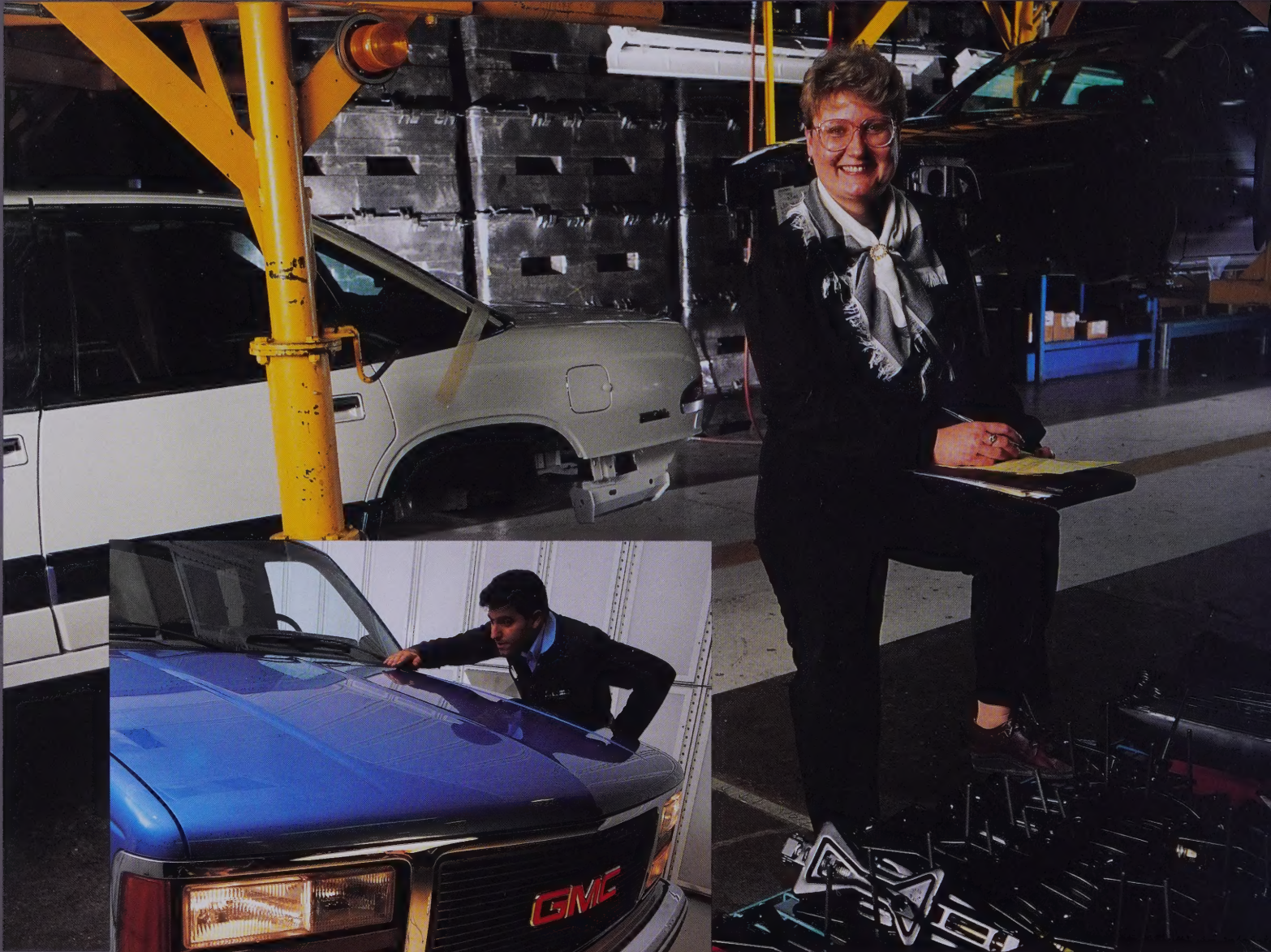


JEAN MORIN *Production Supervisor,
Ste. Therese Car Assembly Plant*

"We fully understand that to keep a customer we have to improve our quality and we're doing that. We're very critical of ourselves — far more than a customer would be. We still

have a way to go but we're making definite progress."

MARIANNE McBRIDE
Area Manager, Oshawa Chassis Plant



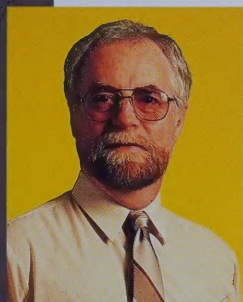
"Our employees have a great sense of pride because they're directly responsible for the paint quality of the vehicles, from the base coat right through to the clear coat. Their

efforts are directly tied in to quality of product and have a great influence on what the customer sees. They have to be on the ball at all times because there are various items that affect paint quality. They all give 110 per cent, believe me."

RINO ABATE
Clean Room Supervisor, Oshawa Truck Assembly Plant

"When there are problems with customers' products what we have to do is help the customer resolve that problem and get them back into wanting to drive a GM vehicle again. It's very satisfying, because in most cases we're able to do that. When they come to us with problems we try very hard to let them know that we'll give them every consideration possible, because customer satisfaction is important to us."

MOIRA BARTRAM
Counsel, Legal Staff, Oshawa



"It's very important, if you have people who work for you, to see to it that their needs are taken care of. Nowadays there's a great customer focus, but it isn't necessarily somebody looking to buy a car in a showroom. It could be the

person sitting right beside you, looking for information or assistance from you. Taking care of that person in that situation, immediately, means that when something is asked of you that you say is impossible to do, they'll understand, because you've established your credibility."

JIM O'CONNOR General Supervisor,
Canadian Export Operations, Oshawa



"As a buyer, the (Oshawa-built) Chevrolet Lumina with the (St. Catharines-built) 3.4L engine has tremendous appeal for me. The car's overall looks, louvred hood, ground effects package and so on, seem to fit the engine. This is an engine which is very quiet and very smooth and is one which hasn't given us any major problems."

BILL JACKSON Group Leader,
St. Catharines Engine Plant

"We have a lot of extremely conscientious people here who want to make sure the job is done right the first time. They're not happy if they find it coming back because of mistakes. I've seen many changes over the 15 years I've worked here, including a great improvement in

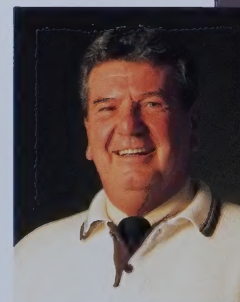


parts — quality, packaging, wrapping — everything is much better now than it was before. The way things are done before they ever get to us not only contributes to us doing our job better but also to eventual customer satisfaction."

SUSAN INNIS Warehouse Supervisor,
National Parts Distribution Centre, Woodstock

"We really strive to keep customers for life. That's GM of Canada's goal and I think Customer Assistance is in the best position to do this. We're the people who answer the phones — to the customer, we're the company, so their opinion of General Motors is quickly formed by the way they're treated. We want to indicate to that customer, no matter what their problem is, that we care. The advisors are dedicated to GM and to the customers — we try to keep them happy."

DON MCGREGOR Customer Assistance Advisor,
Customer Assistance Centre, Oshawa

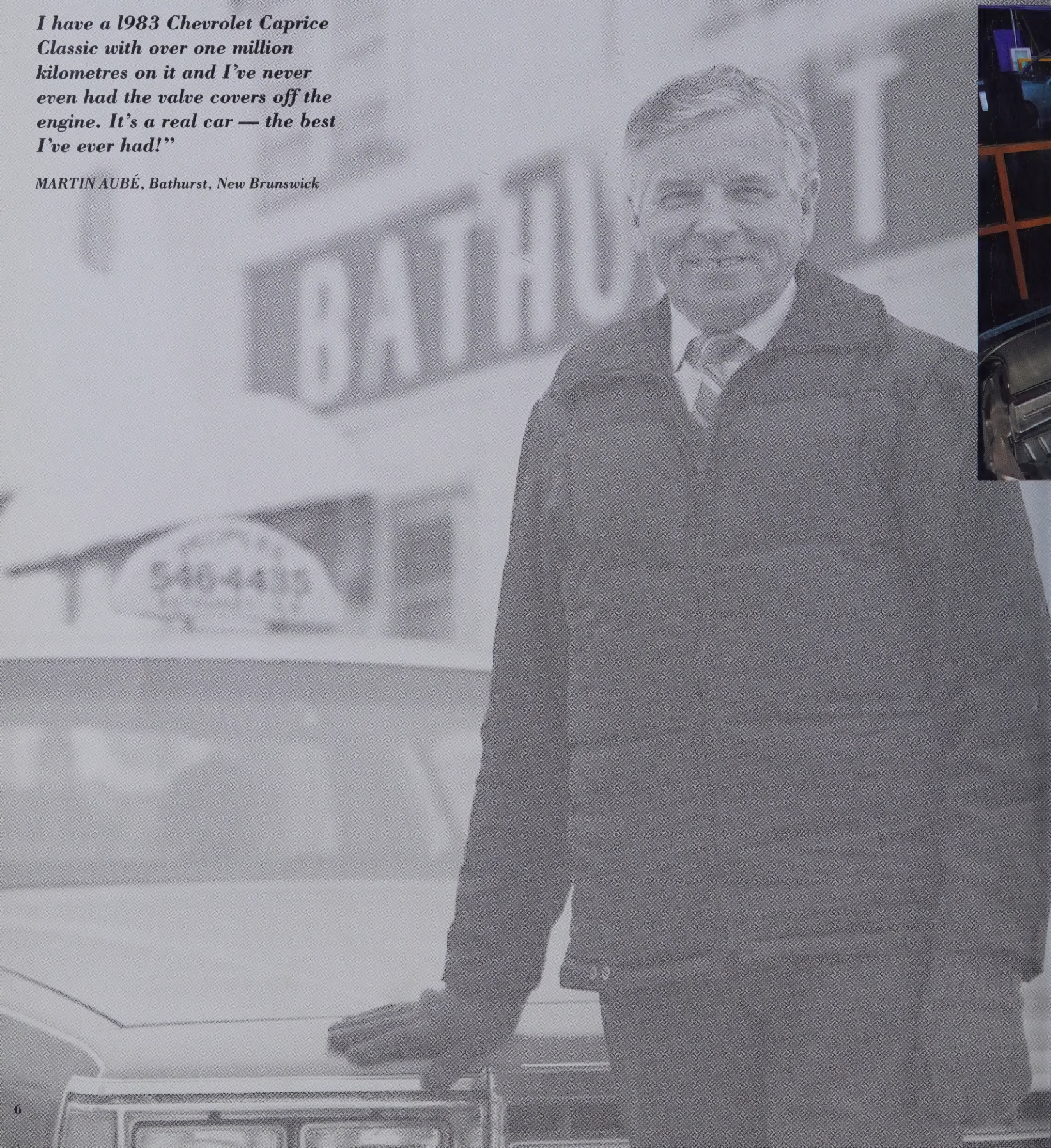


"As a cab company owner and driver for 42 years, I've owned 33 General Motors products and I think they're absolutely the best. There are lots of GM cabs in Bathurst because the other drivers say 'If Martin Aubé drives a GM, that's good enough for me.'

I have a 1983 Chevrolet Caprice Classic with over one million kilometres on it and I've never even had the valve covers off the engine. It's a real car — the best I've ever had!"

MARTIN AUBÉ, Bathurst, New Brunswick

Martin E.



To General Motors of Canada, continuous improvement means making steady gains year after year, as well as regularly setting new standards of excellence in quality, reliability, dependability, performance and value in cars and trucks which repeatedly surpass customer expectations.

Circle



"Every year we learn more and more and the better we get. There's a definite improvement in our quality each year. GM always used to be at the top of the heap and although we've been behind in recent years and despite the fact the competition isn't standing still, we're starting to catch up. I see things beginning to switch around."

JAMIE McINTYRE *Reliability, Quality Control, Oshawa Car Assembly Plant*



"One of my jobs is "Weld Distruct" where, four times a year, we take one of our vehicles at random, completely take it apart, weld by weld, and inspect the work carefully. There are over 5,000 welds on each vehicle and it takes anywhere from 6 to 8

weeks, but it's obvious from our observations that the work the plant is doing most definitely gets better every time and that we've made considerable gains in quality."

ALAN BRITTON *Weld Procedure Monitor, Scarborough Van Plant*



"With each new model year the quality of General Motors products improves and today it is better than it has ever been in my experience as a GM

dealer. That means we can show tremendous confidence to the customer."

MORAY KEITH *President, Dueck Chevrolet Oldsmobile Cadillac Limited, Vancouver, BC*

"I have seen a great deal of steady, continuing improvement in my particular area in the past few years. We're always looking for ways to improve plant air quality and we train our people to look for and be more aware of health hazards and hazardous material. We're always looking at new types of protective equipment so people can go home as healthy as they walk in."

NELLY BOBRO *Safety Inspector, St. Catharines Foundry*



"On a customer satisfaction scale our cars are currently rated in the top one third, very near to the leader. We used to find a small number of discrepancies — things which wouldn't affect the car's performance or turn the customer off — just tiny things. Our people



who test drive the cars every day report that they're getting fewer and fewer all the time. That's continuous improvement and we really believe in it."

BILL PRATT *Supervisor, Quality Audit,
Oshawa Car Assembly Plant*

"One of my responsibilities is customer satisfaction so I try to ensure that every job is done properly. Everybody plays a part in that here. Quality of our product has improved dramatically in recent years because the workers definitely care about what they're doing. We're all very conscientious and anything we can do to make the job better, we're going to try and do it. Our customers like our units and they're looking at buying more — and that's what we're here for."

GERRY COMMODORE
Electrical Lead Hand, London Diesel Division

"I am responsible for preparing the specifications which ensure that Truck and Bus Group are completely aware of the requirements of GM of Venezuela's assembly plant. They're competing against the foreign automakers down there, just as much as we



are, so if we can continue to improve and give them products that they want, that meet their market demand, to help them make a better

product at less cost, then they've got an ace in the hole. There's a strong commitment on our part to help that country out."

DANA BRADY *Liaison Engineer, Product Engineering, Oshawa*

"We have greatly improved our systems over the years and one of the most successful we've adopted in the last 18 months is 'tele-management'. We telephone customers regularly, or they call us on a 1-800 line. It's greatly improved the level of service to the GM and Passport dealers and AC-Delco distributors who are isolated from large centres or have smaller volume. It isn't always possible for them to be serviced by a field representative because of their geographical location. It's a big plus for the dealers, particularly the smaller ones."

JEAN-MARC LECLERC *Telemanagement, District Parts Manager, Oshawa*

"This company is recognized as being one of the best in the industry, both for the quality of

the product we supply to GM as well as the quality of our people. And we make strong efforts at continuing to improve, through Quality Leadership and Quality Action — problem-solving — teams. Since I joined, ten years ago, we have spent \$35 million (US) in revamping our Oshawa

facilities and this has resulted in some tremendous positive changes in our processes."

BRIAN ORMISTON *Plant Manager, Duplate Division, PPG Inc., Oshawa*



"If there's one thing a newspaper publisher requires from his vehicles it's reliability and dependability. We don't want to miss deadlines. Our readers want to get the local news when it's fresh off the press and the GM products in our fleet have never let us down — whether they're getting reporters and photographers to news assignments or delivering the final product."

J. PETER HVIDSTEN, Port Perry, Ontario



The emphasis on consistently high standards of quality in its products continues at General Motors of Canada. Given the level of competition from both domestic and offshore manufacturers which exists in the automotive industry today, the importance of this strategy cannot be overstated.

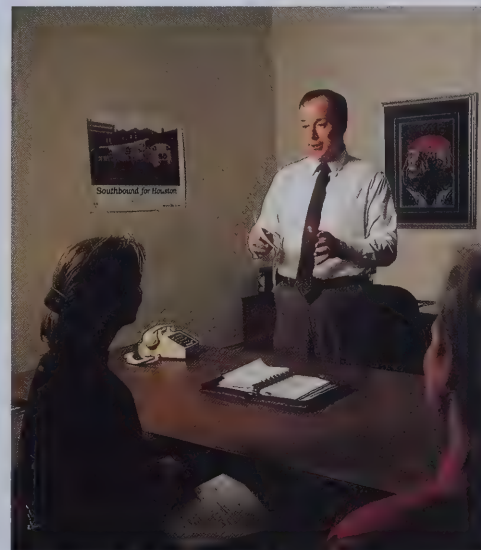


"We're setting the pattern in our industry and we're not letting the competition rest easy. Our locomotives are becoming the standard by which the railways judge our competition and, from the standpoint of quality, that's a pretty nice compliment. And we can all take a bit of the credit. Through such things as the Targets For Excellence program and by offering quality training, we impressed upon our supplier community that quality was paramount to us and our workers and, as everything gradually evolved, the small, incremental steps were seen as one giant leap."

DENNY LANG *Manager, Human Resources and Public Relations, London Diesel Division*

"The quality objective, always, is to do what we can to ensure that the customer gets something that's flawless, that won't cause any dissatisfaction. One way to do that is to identify any potential assembly or tooling concerns in the prototype and pilot programs. We have just completed that exercise with a 1992-'93 prototype and identified almost two dozen items that can be improved. That gives both plant personnel and product engineering ample time to resolve the concerns before the start of production – and that should mean increased customer satisfaction."

STEVE SHAUGHNESSY *Manufacturing Planning, Oshawa Truck Assembly Plant*



"There's no doubt the quality of the product improves every year but then so do the skills of the engineers and operators here. They seem to be able to make the machines do everything they're supposed to as well as things they weren't designed to do."

CHARLIE MCGREGOR *Tool and Die Maker, Windsor Transmission Plant*



"The Japanese got ahead of us with their quality but we have replaced some old mills here with new machinery and now we're getting up there with them again. It's going to take a little while but I know the people here

are fully trained and we're going to catch them, and — I am certain — pass them."

RICHARD HOGGAN

Pattern Maker, St. Catharines Foundry



"I've seen a lot of improvements in the 15 years I've been here and that includes the quality of the product. Most of the people that I know — friends, relatives, neighbours — buy General Motors products and it's more because of the quality than anything else."

CORNELL SMITH *3.1L Engine Loop,
St. Catharines Engine Plant*





"We're pretty picky here. We don't bend the rules for anybody. Most of the supplier quality is really pretty good, but there are exceptions. If there's a problem we don't let them off the hook; they have to fix it. It's not a case of better luck next

time — we tell them we want to see this part again and we want to see it right. We just can't afford to let things go. The littlest things get our customers upset and it's our job to help see that doesn't happen."

KEREN MINATEL *Reliability Polymer Chemist, Quality Assurance, Oshawa*

"Our main goal is to be number one in quality and workmanship. If we have a good product — fewer recalls and fewer repairs — the more work we'll get. We've always had a good product because the workers here take more pride in their work and have pride in themselves."

BOB BORLAND *Carpenter, Windsor Transmission Plant*



"My responsibilities include quality of supplier parts — stampings, painted and finished parts, fasteners and so on, all different types — before they go into the plants, as well as to help solve any problems that occur with them during production. Some things are just little and others really rather major and we have been getting very positive feedback from the people we work with in the plants because of the job we do. There has also been a strong push by GM to make the suppliers more responsible for quality. They've been told it's up to them to ensure we get good parts and this serves to keep the level of supplier quality high."

JULIANNA PAPROCKI *Metallurgical Engineer, Quality Assurance, Oshawa*



"I'm one of a group of four and the ones I work with are good, responsible people. We care about our jobs and we care about quality. We're our own quality inspectors. Nothing leaves our station without any errors being corrected by us or being drawn to someone's attention. At our location, it would be a major repair job later if it were to be put together with an error."

ROSE MALANUK *Marriage Station, Oshawa Truck Assembly Plant*

"We were challenged to see if we could win the GM Mark of Excellence and we accepted. There were so many different areas that had to be looked into but the hardest was the quality aspect — there were so very many different specifications we had to meet. We were very, very excited when we won — but we KNEW we could!"

DIANNE FRENCH *Final Assembly, AC Sparkplug Division, St. Catharines Components Plant*



"Buying my first General Motors car has been a very pleasant experience. I feel like I'm part of a family when I go into the dealership because they know my name and everyone is extremely helpful. I've never had service like that before. It's excellent."

MYRA RUTTER, Saskatoon, Saskatchewan

Myra Rutter



A strong spirit of teamwork and intense pride in their skills and accomplishments exists throughout the General Motors of Canada family — employees, dealers and supplier personnel in every part of the country. Each of them, without exception, is committed to working together to achieve complete customer satisfaction.



Windsor Trim Plant Team

"My responsibilities include coordination of the building of our G Vans and we're always



looking for ways to make improvements in every possible area. Recently we have taken courses developed through the Canadian Quality Process to teach problem-solving as teams. There are different ways to do this and some of the most effective we have seen are things people working together can do with their hands and eyes, rather than simply following paperwork."

PAT JUDGE *Cateline Supervisor,
Scarborough Van Plant*

"This team is part of a group of roughly 35 people which has recorded the highest efficiency and the highest quality in the Windsor Trim Plant in the past year."

JOHN MULLEN *Materials Coordinator*

"We're a good team — a really good team!"

IVANKA KUCHARIC *Machine Operator*

"GM has a great challenge ahead with its overseas and domestic competition. We must keep quality high and costs low and I think we're going in the right direction for that. You have to have a perfect product to satisfy the customer and our group is trying its best to work to that, that's for sure."

SAL DI PONIO *Machine Operator*

"We work very well together and our quality improves the more we work together. Working as a team is better than as an individual because, as a team, we can help each other and that results in an improved product."

THERESA BRAJKOVIC *Machine Operator*

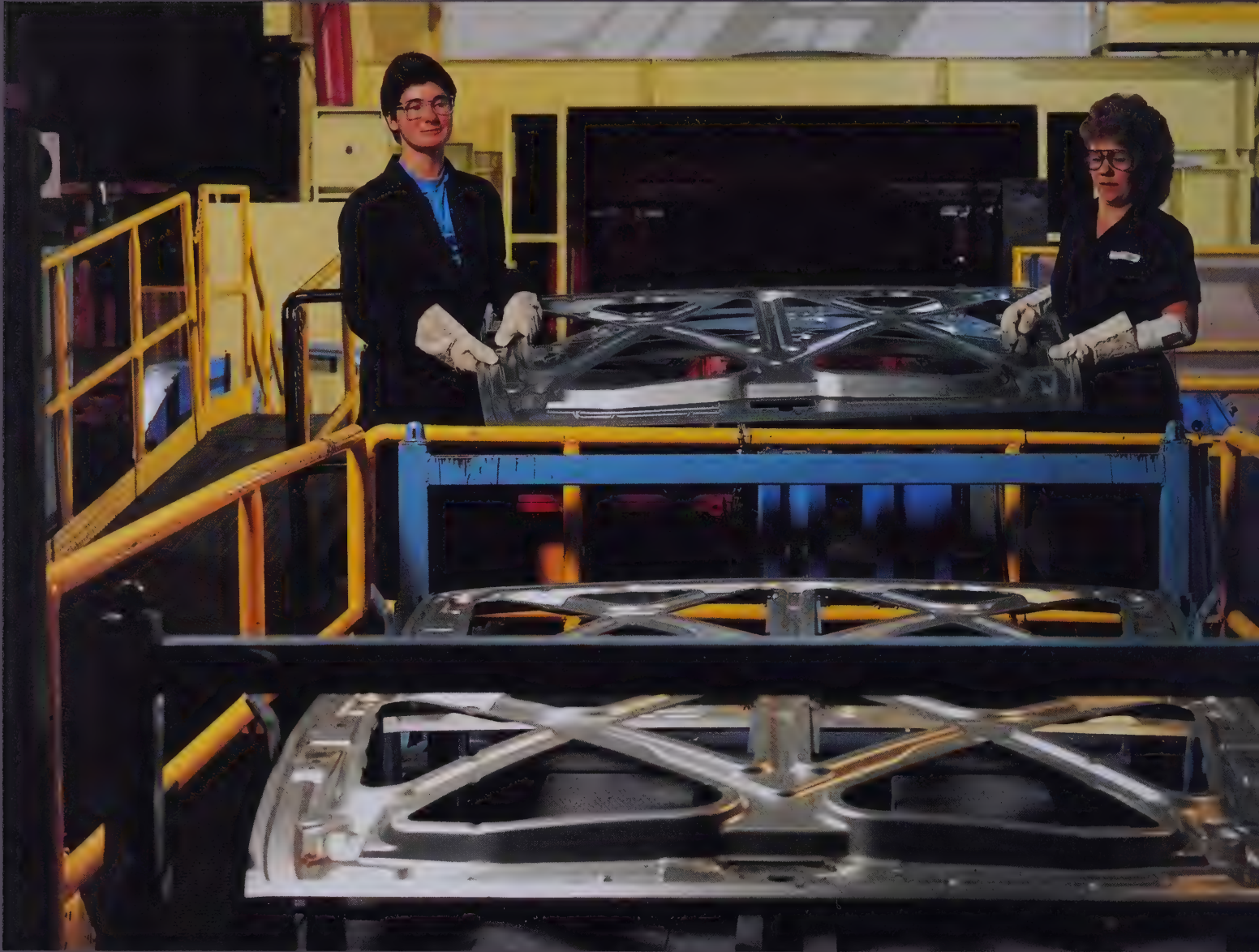
"Our quality audits lately have all turned out pretty well and that's because the people I work with always try to put out the best quality they can. I know that's true. We have a good bunch of people in our department. They work well together and are always trying to come up with something new to improve the product — as well as reduce the amount of scrap."

JOANNE LUDWIG
*Werth Lathe Operator,
St. Catharines
Components Plant*



"Canadian customers want value for their money and if we give them that then there's no reason for them to want to buy foreign products. If the competition's

"I really enjoy the team approach to work. The more we work together, the better we become, the better the quality is of everything we do — and I'm sure that's



product is superior then you can't blame a customer for switching but General Motors vehicles are definitely comparable in quality with the Japanese."

LISA BIGLIN
Press Operator, Oshawa Car Assembly Plant

the way it is throughout the rest of GM of Canada. If you have a good group to work with, like we have, it's just great. You don't mind coming in to work."

JOY LUXTON
Press Operator, Oshawa Car Assembly Plant

"My customers are the employees here and I can feel that they have great pride in what they are building. They want to do the best that they can do. There has been a great improvement in recent years in their participation in the process and this has resulted in an improved relationship between employees and management — they are all part of a big family, there's a good atmosphere — and this means the car buyer gets a better product."



YOLAINE PIERRE-CHARLES
Health Department Coordinator,
Ste. Therese Car Assembly Plant

"It is very important for people to work together as long as possible. I am a member of a nine-person team which has been together, with almost the same people, for three or four years and we meet regularly to discuss the jobs and any problems. Management asks for our opinions and suggestions, listens to us, cooperates with us

and acts on our recommendations. We feel we're part of a team and that's what makes us feel so proud about good results. The 1.7 quality audit we received was not a miracle — it was a strong team effort."

COME BEAULIEU Support Technician Paint Shop,
Ste. Therese Car Assembly Plant

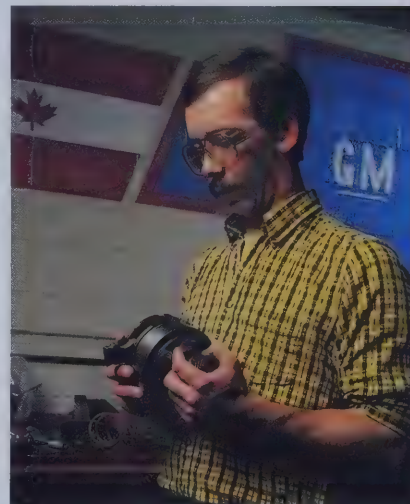
"I've been with General Motors of Canada in sales for almost 15 years, in five different provinces, and I've always felt that we are part of a big team. Teamwork is especially critical when you're working from a branch office or in the field — not only GM wholesale but in retail as well. Our GM dealers have to see us as true partners. Our objectives and strategies have to be in sync, otherwise we're going to be less than successful. Internally, among the staff, the same thing applies"

RANDY SEARS Atlantic Branch Manager,
Moncton, NB



"Teamwork is a very important aspect of our job here — we respect each others' feelings and thoughts. As employees working together as a team we do have a hand in quality here. If the quality's not there it's up to the employees to decide whether a job runs or not and the machines we work on are shut down until it's fixed. We're our own supervisors and that's an important aspect too."

MICHAEL SHATKOSKY
Test Car Mechanic,
St. Catharines Components Plant



"GM of Canada is showing real leadership on the issue of environmental protection. We're ahead of government standards in many areas — we have our own guidelines and a lot of them are higher than the imposed ones. There's a spirit of teamwork evident within every plant and



operation, where more and more employees are recycling, re-using, reducing or recovering their waste — not just at work but at home. And that's very gratifying."

JIM RICHARDS Environmental Land Management
Coordinator, Oshawa

"General Motors cars have been in our family for years. My father always bought them and now I'm doing the same for my family. I just always thought of them as being really good cars that got better, in some way, with every new model."

JOHN, KAREN AND
5-MONTH-OLD KATIE BLEAKLEY,
Aurora, Ontario

John Bleakley



From design to manufacturing and assembly, from distribution through to the sales and ownership experience, the efforts of all General Motors of Canada people – including our dealers and suppliers – are focused on providing superior quality to our customers. This dedication goes far beyond simply building and selling exceptional



quality products to include fostering superior quality relationships with our customers.

The messages in this annual review from some of those GM people and from satisfied customers across Canada provide encouragement that, through our commitment to quality, we are making significant progress toward our vision of having our customers become General Motors "Customers for Life".

The entire process of bringing great cars and trucks to market is an enormously challenging one, involving thousands of people and many months of painstaking preparation. While GM of Canada has invested the necessary technical, capital and human resources to ensure that this process is as efficient and as customer-driven as possible, the Canadian automotive market in 1990 continued to be one of the most competitive in the world.

The economic downturn that had its roots in 1989 – marked by high interest rates, rising unemployment and sharply falling consumer confidence – continued unabated last year.

Further complicating the situation was the transition to the new federal Goods and Services Tax, which would result in lower vehicle prices in 1991, and concern over the nature and extent of the crisis in the Middle East.

The erosion in demand for new vehicles in both Canada and the United States adversely affected GM's production plans in 1990, and eventually led to schedule reductions late in the fourth quarter. Production from GM of Canada's five assembly plants totalled 708,706 passenger cars, trucks and full-size vans – down four percent from 1989.

GM of Canada dealers sold 446,866 passenger cars and trucks in 1990, a 12.3 percent decline from the previous year. Car sales of 299,993 units were 11.8 percent lower, while truck deliveries of 146,873 units declined 13.3 percent.

Despite lower levels of activity in the marketplace, GM scored several successes. The Chevrolet Cavalier, with sales of 52,737 units, was a runaway leader as Canada's number one selling vehicle, outdistancing its nearest competitor by 15 percent. Together with its Pontiac Sunbird counterpart, those two vehicles accounted for almost one in 10 of all passenger cars sold in Canada.

Oshawa-built C/K full-size pickups continued their strong domination of that particular market segment; almost half of all full-size pickups sold in Canada carried either a Chevrolet or GMC name badge.

Our strength in the "people mover" segment of the market increased from 19 percent to almost 25 percent as the Chevrolet Astro/GMC Safari compact vans, and the Chevrolet Lumina APV and Pontiac Trans Sport minivans continued to attract buyers into dealers' showrooms.

With overall sales rates substantially below the levels of 1988 and '89, GM of Canada posted net income of \$46 million on total sales of \$18.5 billion for 1990. Comparable statistics for 1989 show net income of \$236 million on revenue of \$19.7 billion.

Ongoing depreciation and amortization expense associated with substantial capital investment programs for new cars and trucks, as well as more

President's Message

generous consumer incentives required to stay competitive in the market were major factors in the much-reduced net income figure for 1990.

On a more positive note, the exceptional improvement in quality at General Motors is gaining excellent reviews from the car- and truck-buying public, and from industry publications and independent analysts.

Consider these findings from the authoritative J.D. Power Initial Quality Survey, which measures customer satisfaction during the first three months of ownership:

- The Buick LeSabre, for the second consecutive year, was rated the most trouble-free North American-built car;
- two Oshawa-built models - Chevrolet Lumina and Buick Regal coupes - distinguished themselves by earning the number one and two ratings in the mid-size specialty market segment;
- Buick Electra, Cadillac DeVille/Fleetwood and Oldsmobile 98 were the top-ranked North American-built luxury cars.

Other outside observers have also noticed and remarked on the very positive quality story at GM:

- the Chevrolet Lumina was chosen by Family Circle magazine as the 1991 "Family Car of the Year";
- the all-new Chevrolet Caprice Classic LTZ was awarded Motor Trend magazine's coveted "Domestic Car of the Year" designation;
- the Motoring Press Association voted the Buick Park Avenue Ultra the 1991 "U.S. Car of the Year";
- the 1991 Buick Park Avenue Ultra also won the "Driver's Choice" award from the U.S. syndicated television program "MotorWeek"; and
- in a first for any automaker, GM's Cadillac division won the prestigious Malcolm Baldrige National Quality Award in the U.S.

These achievements and accomplishments serve as clear demonstration of our determination to supply the market with products of outstanding quality and value.

With our comprehensive facilities-modernization program largely complete, GM will continue to

aggressively pursue a strategy of introducing more exciting new products in the next few years. In fact, by 1994, virtually all of GM's passenger car volume, and nearly two-thirds of our truck volume will come from models either all-new or restyled just since the 1989 model year.

Several introductions of note during 1990 include the four-door Buick Regal sedan and the all-new Buick Park Avenue; the return of the legendary "Roadmaster" name to Buick in both sedan and wagon versions; Oldsmobile Ninety Eight sedan; and the award-winning Chevrolet Caprice Classic.

In September of 1990, our Passport International Automobiles division added the prestigious Saab nameplate to the lineup of products offered to "import intenders". Passport dealers continue their preparations to carry vehicles from Saturn Corporation - GM's newest nameplate - in the fall of 1991.

GM's leadership role in the industry extends far beyond a broad product lineup to include an exceptionally strong record in fuel economy performance and automotive safety research and development programs.

With respect to fuel efficiency, GM has improved new car fuel economy by 126% since 1974.

Transport Canada figures show Chevrolet Sprint and Pontiac Firefly are the most fuel-efficient cars in North America with ratings of 4.4 L per 100 km (64 mpg) in highway driving and 5.6 L per 100 km (50 mpg) in city driving.

In the area of automotive safety, GM is now phasing in the use of supplemental inflatable restraints on all products and by the mid-'90s, anti-lock braking systems (ABS) will be either standard or optional equipment on almost all GM passenger cars and light-duty trucks.

Guided by the voice of the consumer, the people of General Motors of Canada stand ready to meet and exceed the high expectations of our customers by offering them GM products and services - and ownership experiences - of superior and lasting quality. We will continue to be driven by our vision - General Motors "Customers for Life".



George Peapples
President and General Manager

NET SALES



UNIT SALES (in Canada)



INVESTMENTS



General Motors of Canada Limited

(millions of dollars)

	1990	1989	1988	1987	1986
Net Sales	\$18,458.2	\$19,668.4	\$19,310.5	\$16,884.4	\$18,532.6
Net income	\$ 45.5	\$ 236.1	\$ 359.4	\$ 5.1	\$ 418.4
Net income percent of sales	0.2%	1.2%	1.9%	—%	2.3%
Taxes	239.6	244.7	354.1	188.1	489.6
Total capital expenditures	228.1	1,023.3	923.8	928.5	1,318.3
Expenditures for plants and equipment	100.1	365.7	485.5	581.9	838.9
Expenditures for special tools	128.0	657.6	438.3	346.6	479.4
Payrolls	1,739.2	1,846.7	1,690.0	1,599.6	1,642.3
On-roll employment	42,555	43,781	43,571	44,749	45,994

Unit Sales	1990	1989	1988	1987	1986
<i>Manufactured in Canada</i>					
Passenger Cars	418,357	414,022	410,920	339,438	531,602
Trucks	295,052	322,660	326,013	237,984	192,072
Total Factory Sales	713,409	736,682	736,933	577,422	723,674
Imported Vehicles/ Canadian Affiliates	337,775	388,085	399,758	405,130	416,407
Total Unit Sales	1,051,184	1,124,767	1,136,691	982,552	1,140,081
<i>Unit Sales by Area</i>					
Canada	429,329	508,863	545,096	534,901	585,547
United States	615,470	606,438	580,716	443,391	548,904
Other Countries	6,385	9,466	10,879	4,260	5,630

Highlights



General Motors of Canada Limited

As at December 31, 1990, with comparative figures for 1989 (thousands of dollars)

Assets	1990	1989
<i>Current</i>		
Cash and marketable securities	\$ 720,370	\$ 566,362
Accounts and notes receivable		
Trade – affiliated companies	153,232	30,432
Other – trade and sundry	130,612	192,389
Inventories	942,720	1,051,655
Prepaid expenses	97,788	105,734
Deferred income taxes	126,879	141,086
Total Current Assets	2,171,601	2,087,658

<i>Property</i>		
Real estate, plants and equipment (Note 2)	5,141,419	5,068,233
Less: Accumulated depreciation	2,472,213	2,162,811
<i>Net real estate, plants and equipment</i>	<i>2,669,206</i>	<i>2,905,422</i>
Special tools – less amortization	732,427	1,044,813
<i>Net property</i>	<i>3,401,633</i>	<i>3,950,235</i>
<i>Long-term investments</i>	<i>69,375</i>	<i>114,171</i>
<i>Other assets</i>	<i>318,382</i>	<i>273,486</i>
Total Assets	\$5,960,991	\$6,425,550

Reference should be made to the Notes to Financial Statements.

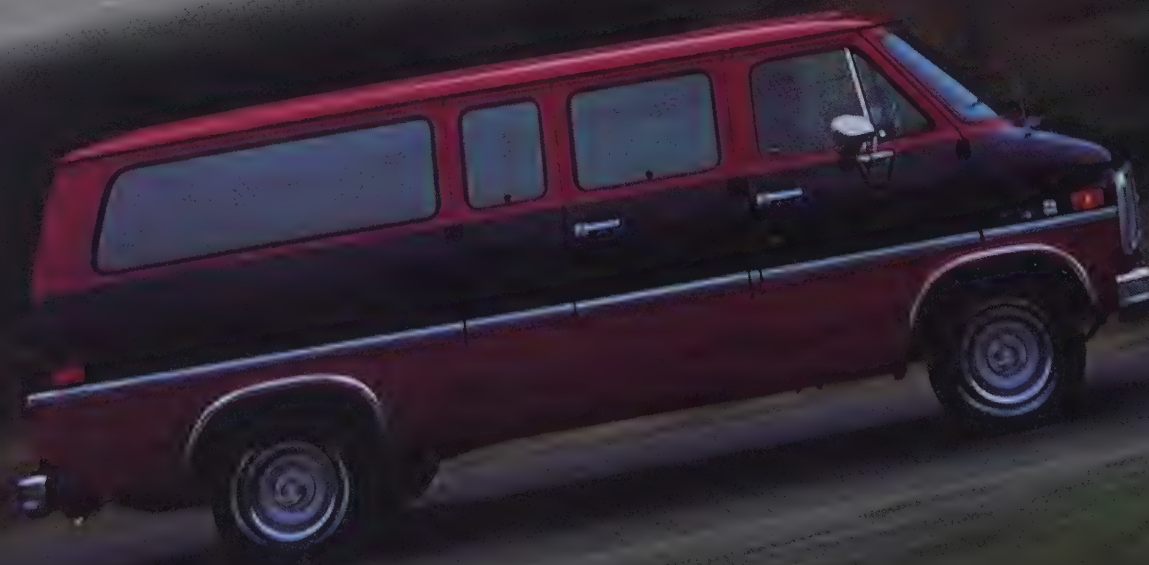
Approved by the Board:

George Peaplee

Director

T. R. Holmes

Director



Balance
Sheet

General Motors of Canada Limited

As at December 31, 1990, with comparative figures for 1989 (thousands of dollars)

Liabilities	1990	1989
<i>Current</i>		
Bank loans	\$ —	\$ 250,000
Accounts payable		
Trade – affiliated companies	16,725	19,001
Other – trade and sundry	580,920	724,215
Income and other taxes payable	265,620	129,768
Other current liabilities	740,246	602,860
Current portion of long-term debt (Note 3)	100,000	—
Total Current Liabilities	1,703,511	1,725,844
<i>Long-term debt (Note 3)</i>	322,635	422,635
<i>Deferred income taxes</i>	878,350	1,046,780
<i>Other liabilities</i>	487,922	440,637
Total Liabilities	3,392,418	3,635,896
 Shareholder's Capital		
<i>Share capital without par value</i>		
Authorized		
An unlimited number of common shares		
Issued		
703,250 shares	70,325	70,325
<i>Contributed surplus</i>	36,325	36,325
<i>Net income retained for use in the business</i>	2,461,923	2,683,004
Total Shareholder's Equity	2,568,573	2,789,654
Total Liabilities and Shareholder's Equity	\$5,960,991	\$6,425,550

Balance
Sheet

General Motors of Canada Limited

Year ended December 31, 1990, with comparative figures for 1989 (thousands of dollars)

	1990	1989
Net Sales	\$18,458,171	\$19,668,377
Costs and Expenses		
Cost of sales and other operating charges, exclusive of items listed below	17,102,372	18,066,682
Selling, general and administrative expenses	436,414	408,499
Depreciation of plants and equipment	330,071	316,466
Amortization of special tools	440,384	437,237
Total	18,309,241	19,228,884
Operating income	148,930	439,493
Other expenses - net	26,544	17,763
Interest expense (Note 3)	34,958	27,806
Income before income taxes	87,428	393,924
Income taxes	41,902	157,833
Net income for the year	45,526	236,091
Net income retained for use in the business at beginning of the year	2,683,004	2,581,913
	2,728,530	2,818,004
Dividends paid	266,607	135,000
Net income retained for use in the business at end of the year	\$ 2,461,923	\$ 2,683,004

Reference should be made to the Notes to Financial Statements.

Statement of Income and Net Income Retained for Use in the Business

General Motors of Canada Limited

Year ended December 31, 1990, with comparative figures for 1989 (thousands of dollars)

	1990	1989
Operating Activities		
Net income	\$ 45,526	\$ 236,091
Items not involving cash		
Add (deduct)		
Depreciation of plants and equipment	330,071	316,466
Amortization of special tools	440,384	437,237
Deferred income taxes (non-current)	(168,430)	106,102
Loss on disposal of property	5,468	10,570
Equity accounted investments	48,247	34,730
	701,266	1,141,196
Net change in non-cash working capital items	297,732	306,974
Net change in other assets and liabilities	2,389	16,677
Cash generated from operations	1,001,387	1,464,847
Dividends paid	266,607	135,000
Total cash available for investing and financing activities	734,780	1,329,847
Investing Activities		
Expenditures for real estate, plants and equipment	100,124	365,695
Expenditures for special tools	127,998	657,607
Proceeds on disposal of property	(801)	(1,029)
Long-term investments	3,451	(116)
Cash used in investing activities	230,772	1,022,157
Financing Activities		
Decrease in long-term debt	100,000	—
Increase in cash and cash equivalents	404,008	307,690
Cash and cash equivalents at beginning of the year	316,362	8,672
Cash and cash equivalents at end of the year	\$ 720,370	\$ 316,362
Cash and cash equivalents at end of the year		
Cash and marketable securities	\$ 720,370	\$ 566,362
Bank loans	—	(250,000)
Cash and cash equivalents	\$ 720,370	\$ 316,362

Reference should be made to the Notes to Financial Statements.

Statement of Changes in Financial Position



Note 1. Significant Accounting Policies

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada, and reflect the following policies:

Transactions in Foreign Currencies:

Transactions in foreign currencies have been stated in Canadian currency at the average rate of exchange for the months in which they occurred. Assets and liabilities which are to be settled in foreign currencies have been stated in Canadian currency at the rates of exchange in effect at the balance sheet date. Forward exchange contracts, except specific hedges of future commitments, are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. Premiums and discounts on such contracts are amortized over the lives of the respective contracts. Gains and losses on translation of foreign currencies are included in other expenses – net on the statement of income.

Income Taxes:

Income taxes are provided for in the year in which transactions affect net income, regardless of when such transactions are recognized for tax purposes. The resulting timing differences, giving rise to deferred income taxes on the balance sheet, relate primarily to claiming capital cost allowance for income tax purposes in excess of depreciation of plants and equipment and amortization of special tooling expenditures charged in the financial statements, and to recording warranty expense in the financial statements in excess of that claimed for income tax purposes.

Inventories:

Inventories are stated at the lower of cost and market value. Cost is determined substantially by the first-in, first-out method. Market value is calculated as current sales price less distribution cost for finished products and as replacement cost for other inventories.

Property, Depreciation and Amortization:

Property is stated at cost. Depreciation is provided based on estimated useful lives of groups of property, generally using accelerated methods which accumulate depreciation of approximately two-thirds of the depreciable cost during the first half of the estimated useful lives. The annual group rates of depreciation are as follows:

Land improvements	1½% to 5%
Buildings	1¼% to 3¾%
Machinery and equipment	1¾% to 15%
Furniture and office equipment	3¼ to 18¾%

Expenditures for special tools are amortized over their estimated useful lives. Amortization is applied directly to the asset account. Replacement of special tools for reasons other than changes in products is charged to cost of sales.

Long-Term Investments:

Long-term investments, principally investments in dealership companies, which are temporary in nature, and corporate joint ventures, are accounted for on the equity basis of accounting.

Product-Related Expenses:

Expenditures for research and development and for advertising and sales promotion are charged to expenses when incurred. Provisions for costs related to product warranty are estimated and charged to cost of sales at the time the products are sold.

December 31, 1990

Note 2. Real Estate, Plants and Equipment*(thousands of dollars)*

	1990	1989
Land, buildings and improvements	\$1,496,595	\$1,476,827
Machinery, equipment and furniture	3,510,541	3,452,778
Construction in progress	134,283	138,628
	5,141,419	5,068,233
Less: Accumulated depreciation	2,472,213	2,162,811
	\$2,669,206	\$2,905,422

Capital expenditures committed but not expended at December 31, 1990 amount to approximately \$75 million (1989 - \$172 million).

Note 3. Long-Term Debt*(thousands of dollars)*

	1990	1989
Payable within one year		
Notes due December 16, 1991	\$ 100,000	\$ —
Payable beyond one year		
Notes due December 16, 1991	\$ —	\$ 100,000
Notes due June 29, 1992 (Swiss Francs 120,000,000)	102,635	102,635
Loans due April 1, 2017	220,000	220,000
	\$ 322,635	\$ 422,635

In the case of the Swiss Franc notes, the Company entered into a currency swap agreement fixing the principal at \$102,635,000 at the time of issue.

The fixed interest rate obligations on both notes payable were swapped at the time of issue into floating interest rate obligations, based on the average 30 day Bankers' Acceptance rate of the five major Canadian banks, less a specified discount.

The loans for \$220,000,000 are interest-free government loans. They provide for early partial repayment and the payment of interest in the event that the Company does not meet certain operating and spending commitments, which commitments have been met to date.

Interest on long-term debt for 1990 amounted to \$26,649,000 (1989 - \$24,217,000).

December 31, 1990

**Notes to
Financial
Statements**

Note 4. Pensions

The Company participates with affiliated Canadian companies in pension plans covering substantially all of its employees. The plans provide pensions determined by each participant's length of service, wages and salaries, and where applicable, contributions.

An actuarial valuation is performed each year for the pension plans of the Company and its affiliated Canadian companies to determine the present value of the accrued pension benefits based on projections of employees' compensation levels to the time of retirement. Pension fund assets are carried at adjusted market values. As at December 1, 1990, the date of the latest valuation, the pension plans had a funding excess as shown below:

(thousands of dollars)	1990	1989
Pension plan assets, at market value	\$2,153,900	\$2,316,500
Present value of accrued pension benefits	\$2,090,700	\$2,073,400
Funding excess as at December 1st	\$ 63,200	\$ 243,100

The Company's employees represent approximately 97% of the total number of employees in the plans.

Pension expense amounted to \$38,738,100 for the year ended December 31, 1990 (1989 - \$42,266,500).

The cumulative difference between the funding contributions and the amounts recorded as pension expense is reflected in "Other Assets".

Note 5. Related Party Transactions

The Company is a subsidiary of General Motors Corporation and participates with affiliated companies in the design, manufacture, assembly, distribution and financing of products which relate to transportation equipment, consisting principally of passenger cars, trucks and locomotives as well as parts and accessories.

It has been the practice for a number of years to obtain at cost certain types of services from affiliates. In return, the Company provides services at cost to affiliates.

Significant related party transactions with parent and affiliated companies, not otherwise disclosed in the financial statements, are as follows:

- (a) Net sales includes sales to parent and affiliated companies of \$11,893 million in 1990 and \$11,682 million in 1989.
- (b) Approximately 65% of total costs and expenses in both 1989 and 1990 arise from business transactions with parent and affiliated companies.

Note 6. Contingent Liability

There are various claims and pending actions against the Company with respect to product liability, warranties and other matters arising out of the conduct of the business. Although the amounts of liability on these claims and actions at December 31, 1990 were not determinable, in the opinion of management, the ultimate resulting liability will not materially affect the financial position or results of operations of the Company.

December 31, 1990



Note 7. Lease Commitments

Minimum future commitments under operating leases, having non-cancellable lease terms in excess of one year, primarily for real property, are as follows:

(thousands of dollars)

1991	\$ 8,000
1992	7,400
1993	7,200
1994	7,100
1995	5,600
Thereafter	78,400
	<u>\$113,700</u>

Rental expense under operating leases was \$8,600,000 in 1990 and \$5,600,000 in 1989. Certain leases contain escalation clauses and renewal or purchase options.

Note 8. Comparative Figures

Certain amounts from the prior year have been reclassified for purposes of comparison.

December 31, 1990

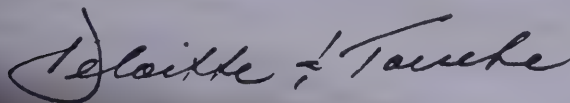
General Motors of Canada Limited

To the Shareholder of
General Motors of Canada Limited

We have audited the balance sheet of General Motors of Canada Limited as at December 31, 1990 and the statements of income and net income retained for use in the business and changes in financial position for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.



Toronto, Ontario
January 21, 1991.

Chartered Accountants

Notes to
Financial
Statements

Auditors'
Report



General Motors of Canada Limited's 1990 Board of Directors, photographed in the concourse area of the administration building at 1908 Colonel Sam Drive in Oshawa, Ontario.

(Left to Right)

Senator J. Trevor Eyton, President and CEO, Brascan Ltd.

Richard M. Colcomb, Former Vice President and General Sales Manager, GM of Canada

E. Michael Mutchler, Vice President and Group Executive, Chevrolet-Pontiac-GM of Canada Group (C-P-C)

W.W. (Bill) Peel, Vice President, GM of Canada and General Director, Diesel Division, GM of Canada

Terry R. Holmes, Vice President and Finance Manager, GM of Canada

Allan R. Taylor, Chairman and CEO, Royal Bank of Canada

Michael H. Erdman, Vice President, Marketing, GM of Canada

Donald T. Blight, Vice President and Director of Operations, GM of Canada

William W. Stinson, President and CEO, Canadian Pacific Limited

Dr. Geraldine A. Kenney-Wallace, President and Vice-Chancellor, McMaster University

Robert M. Wilson, Former Director of Purchasing, GM of Canada

Ross W. McFarlane, QC, Vice President, General Counsel and Secretary, GM of Canada

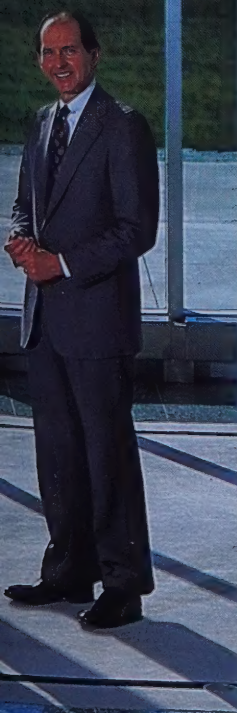
George A. Peapples, President and General Manager, GM of Canada.

There were a number of significant changes in General Motors of Canada Limited's Board of Directors in 1990, including the election of Dr. Geraldine A. Kenney-Wallace, President and Vice-Chancellor of McMaster University, Hamilton, Ontario. A Fellow of the Royal Society of Canada, Dr. Kenney-Wallace is the former Chairman of the Science Council of Canada.

Also new to the board in 1990 was W.W. (Bill) Peel, whose election followed his appointment as vice president of General Motors of Canada and as general director of its Diesel Division in London, Ontario.

A third new member in 1990 was Michael H. Erdman, who was appointed vice president, marketing and elected to the board to succeed William J. Atkinson, who retired from General Motors of Canada.

W. Robert Waugh, who had completed nearly 50 years of loyal and dedicated service to General Motors in both Canada and the U.S., retired from the board in 1990 after 16 years as a member. Mr. Waugh joined General Motors of Canada as a clerk in cost accounting in 1941 and eventually was appointed vice president and finance manager of General Motors of Canada. A former President of the Financial Executives Institute of Canada, he was generous in sharing his wide knowledge with his associates.



**NATIONAL DEALER
COUNCIL**

Marvin Starr
(Chairman)

Marvin Starr Pontiac
Buick Cadillac Inc.
Scarborough, Ontario

Marcel Belanger
Belanger Chevrolet-
Oldsmobile Inc.
Hawkesbury, Ontario

Gaston Fournier
Fournier Chevrolet
Oldsmobile Inc.
Vanier, Québec

Sherrold J. Haddad
Flag Chevrolet Oldsmobile Ltd.
Surrey, British Columbia

Donald V. Huggins
Don Huggins
Chevrolet Oldsmobile Ltd.
Langham, Saskatchewan

Clayton L. Kennedy
Edwards Garage Limited
Rocky Mountain House
Alberta

Pierre Larocque
Garage Montplaisir Limitée
Drummondville, Québec

Paul D. O'Regan
Scotia Chevrolet
Oldsmobile Limited
Halifax, Nova Scotia

Kenneth E. McGee
Reg McGee & Sons Limited
Goderich, Ontario

Gordon A. McNaught
McNaught Pontiac Buick
Cadillac Ltd.
Winnipeg, Manitoba

Jerome D. Taylor
Jerome D. Taylor Chevrolet
Oldsmobile Cadillac Limited
Kingston, Ontario

Francois Verdy
Le Relais Chevrolet
Oldsmobile Ltée
Montréal, Québec

**PRESIDENT'S QUALITY
COUNCIL**

George A. Peapples
President and
General Manager
GM of Canada

Donald T. Blight
Vice President and
Director of Operations
GM of Canada

Michael H. Erdman
Vice President,
Marketing
GM of Canada

I. Hugh Holland
Director, Canadian
Component Operations
GM of Canada

Terry R. Holmes
Vice President and
Finance Manager
GM of Canada

Gerry B. Hudson
Vice President,
Commercial
The Algoma Steel
Corporation Ltd.;
Co-Chairman GM of Canada
Supplier Council

Donald E. Mitchell
Director,
Quality Network
C-P-C

Ross W. McFarlane QC
Vice President,
General Counsel and
Secretary
GM of Canada

Bonnie S. Morrison
General Director,
Customer Support Services
GM of Canada

Robert Nickerson
National
Secretary-Treasurer
CAW

Marvin Starr
President,
Marvin Starr Pontiac
Buick Cadillac Inc.;
Chairman, GM of Canada
National Dealer Council

William E. Tate
Vice President and
General Director,
Personnel
GM of Canada

Richard B. Taylor
Director, Engineering
GM of Canada

J. Donald Thornton
General Director,
CANEXPO
GM of Canada

Charles G. Thorpe
Executive Director,
GM of Canada
Supplier Council



W. James Watson
President,
GMAC

Donald L. Willen
Director,
Service Parts Operation
GM of Canada

SUPPLIER COUNCIL

Jerry Begue
Canadian Timken Ltd.
St. Thomas, Ontario

John H. Connor
Volkswagen Canada Inc.
Barrie, Ontario

Guy DiPonio
Valiant Machine and Tool
Windsor, Ontario

Al J. Gillies
Canadian National
Mississauga, Ontario

Keith Henry
Emrick Plastics
Windsor, Ontario

Gerry B. Hudson
The Algoma Steel
Corporation Ltd.
Mississauga, Ontario

Pascal Lalenti
Himont Canada Inc.
Montréal, Québec

Jim King
Uniroyal Goodrich
Canada Inc.
Kitchener, Ontario

Adolph Kurz
Precision Engineering
Rexdale, Ontario

Thomas Lewis
Rockwell International
Milton, Ontario

Jack L. MacMillan
PPG Industries
Canada Ltd.
Toronto, Ontario

Ralph Nener
Reynolds Aluminum
Co. of Canada
Cap-de-la-Madeleine, Québec

Greg J. Paupst
Perstorp Components
Kitchener, Ontario

Jim Robinson
Butler Metal Products
Cambridge, Ontario

Don Rodzik
NARMCO Group
Windsor, Ontario

John A. Schiller
TNT/Overland
Express Group
Mississauga, Ontario

Emidio Simone
Active Mold and Design
Windsor, Ontario

Mike Spenceley
Hudson Bay Diecasting
Brampton, Ontario

Wayne A. Smith
Gencorp Automotive
Welland, Ontario

Peter C. Tekker
Gates Canada Inc.
Brantford, Ontario

Don Warren
Autosystems Manufacturing Inc.
Belleville, Ontario

David H. Weyh
Decoma International
Downsview, Ontario






Ralph J. Zarboni
Complx Corporation
Cobourg, Ontario

Al H. Zinn
Curon Canada Ltd.
Toronto, Ontario

Business Partners



GENERAL MOTORS OF CANADA

-  **BRANCH OFFICES**
-  **PARTS DISTRIBUTION CENTRES**
-  **ASSEMBLY / COMPONENT PLANTS**
-  **COLD WEATHER DEVELOPMENT CENTRE**
-  **CAMI**



An important element in the creation
of a satisfied customer is GM of Canada's
Customer Assistance Centre in Oshawa.
To reach it, call:

1-800-263-3777	English
1-800-263-7854	French
1-800-263-3830	TDD (Phone for the deaf)
1-416-644-6624	Oshawa area